

NEW YORK, N. Y.
WORLD-TELEGRAM
& SUN

e. 373,849

Front Edit Other
Page Page Page

Date: JUL 31 1964

STAT

Senate Talks Cast Light on 'Black' Defense Funds

By MARSHALL McNEIL
Scripps-Howard Newspapers

WASHINGTON, July 31—For the first time, the Senate has heard discussed publicly the black funds—the hidden money for secret defense projects—which it appropriates each year without realizing it.

The discussion included two Senators protesting they had been misled by being kept ignorant of what they were doing and two others defending the appropriation of black funds.

One complained that his possession of top-secret information which he could not share with his colleagues was a "source of near-depression and frustration."

During Debate

The discussion took place during debate on the Defense Department's \$46.7 billion appropriations bill.

Sen. Richard Russell (D., Ga.), floor manager for the bill and chairman of the Senate Armed Services Committee, conceded that "so-called black funds" are contained in the bill.

These, conceivably, could include:

MONEY FOR the Central Intelligence Agency, all of whose operations are secret and for which no specific public appropriation is made; or for other spy and counter spy operations.

MONEY FOR new planes and weapons.

MONEY FOR new types of armed forces to combat Communists.

Chances are that other bills—perhaps those allocating money for space and atomic operations—also contain hidden black funds for projects Congress knows nothing about.

Members Frustrated

The frustration of members of the Senate Appropriations Committee, which supposedly knows all about the bills it considers, was reflected by complaints of Sen. Gordon Allott (R., Colo.) and Sen. Mike Monroney (D., Okla.).

Allott recalled that President Johnson last week revealed the existence of a 2000-mile-an-hour reconnaissance plane whose development had cost about \$1 billion.

Scott asked: "How can the Defense Department personnel come to the members of the (appropriations) committee, when all members are present, and state as fact that it is their honest opinion that everything we have in the budget is as tight as it can be, when somewhere there is hidden within it as much as \$1 billion for the development of this plane?"

Position Embarrassing

He said commitmen are put in a "very embarrassing and inconsistent position" when they go home and tell their constituents they had studied every facet of the bill, cross-examined every witness and satisfied themselves the Defense Department has a "tight budget."

then find out that \$- billion had been hidden for the development of something which had never been mentioned or named."

Monroney joined Allott's complaint. He said he recognizes the need for secrecy but finds it "quite embarrassing" to talk about the fact that several hundred million dollars can be concealed in an appropriation bill without members of the committee knowing about it, much less the members who vote for the funds on the Senate floor.

He suggested creation of some "super-committee" to report to Congress, without details, that certain money is being spent on secret projects.

Defends Fund

Sen. Leverett Saltonstall (R., Mass.) defended the black fund appropriations by recalling that for three or four years Congress allocated billions for the atomic bomb without knowing it.

Russell, who revealed the classification of black funds, said the \$1 billion for the plane had been spent over a period of five or six years.

Source of Worry

He said he was one of three or four Senators who knew some years ago about the development of the U-2 reconnaissance plane, the existence of which was revealed only when one was

shot down over Russia.

"For my part," Russell said, "anyone who wishes to have my responsibility respecting the so-called hidden funds is welcome to it, because it has been a source of near-depression and frustration to me for fear that I might say something which would result in a leak or a break, which in turn might cause some American boy to lose his life or some potential enemy of the United States to know some of our most vital secrets."

Russell, who led the Senate talkathon against the civil rights bill, said his possession of top military secrets makes him tongue-tied.

"It has almost paralyzed me as a conversationalist in the discussion of defense matters," he said. "Because I was afraid something I might say would be harmful to our defense system."

MORI/CDF